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CIA 1-03 Duckett, Carl

# CIA: A-Matter From U.S. Went to Israel in '60s

Washington (News Bureau) — The CIA has told congressional investigators that bomb-grade nuclear materials were secretly diverted from a privately owned plant in the United States to Israel in a clock-and-dagger operation in the mid-1960s.

According to a congressional source, the CIA began an investigation in Europe after receiving information that Israel had obtained a sizeable quantity of enriched uranium. The CIA investigation eventually centered on a U.S. company, the Nuclear Materials and Equipment Corp. of Apollo, Pa., just outside Pittsburgh, which was operated

at the time by a former Atomic Energy Commission scientist, Zalman Shapiro, the source said.

The CIA findings put the spy agency in direct conflict with the Energy Research and Development Administration, which has said repeatedly that although nuclear material has been lost, none has been illegally diverted to any foreign power.

The FBI has conducted two investigations of Shapiro and his associates. Knowledgeable sources told The News yesterday that the first investigation had failed to find any evidence that Shapiro was acting as the agent of the Israelis although he had business ties with Israeli firms.

Shapiro is no longer affiliated with the plant, which produced fuel for U.S. nuclear submarines.

The second FBI investigation, completed last year, reportedly examined Shapiro's associates and found that no crimes had been committed.

Michael Ward, a congressional staffer who is investigating the case, said that 135 pounds of enriched uranium had been diverted from Shapiro's plant in 1965.

Officials at the Energy Research and Development Administration have acknowledged that 8,000 pounds of weapons-grade material have been unaccounted for over the years, but they say the material was lost in the pipeline system of various plants. Bookkeeping errors may also account for the inability to trace the materials, officials have said.

But a knowledgeable government source told The News yesterday that he had learned independently that nuclear material was diverted from "a licensed facility." He said that there was "no question" that the energy agency was

aware of the diversion. The official said that the agency has developed a policy of suppressing any information about a diversion.

Kenneth Chapman, former head of the safeguards section of the Nuclear Regulatory Commission, quoted former CIA Deputy Director Carl Duckett as saying last year that the agency's investigation had been inconclusive.

There is a growing suspicion on Capitol Hill and in some administration quarters that the CIA role in the nuclear material diversion is far greater than the agency has admitted.

Congressional sources and some administration sources believe that there may have been some secret agreement between the Johnson administration and the Israelis to provide Israel with material to make atomic bombs.

Under this theory, the CIA helped Shapiro ship the material to the Mideast where the Israelis already had the skills to manufacture nuclear bombs.